

## INTRODUCTION

Roularta Media Group, as a multimedia company, sets out to create value for its readers, viewers, listeners, advertising customers, employees and shareholders.

In the light of this task Roularta Media Group subscribes to the principles set out in the Belgian Corporate Governance Code of 9 December 2005. The 'best practices' with regard to proper company management, which Roularta Media Group has already applied in the past, have been extended by the principles of the Belgian Corporate Governance Code and laid down in the Corporate Governance Charter approved by the board of directors on 18 November 2005.

The board of directors of NV Roularta Media Group feels that by adhering as closely as possible to the principles set out in the Corporate Governance Charter, it is contributing to a more efficient, transparent administration and a better risk and control management of the company. Thanks to this more efficient, transparent administration and good risk and control management, the board can achieve its aim of maximizing value for shareholders, stakeholders and also institutional investors.

The Corporate Governance Charter published on the company's website (1) contains:

- a description of the company's corporate governance structure, with the internal rules of the board of directors;
- the policy adopted by the board of directors for transactions and other contractual links between the company, including its associated companies, and its directors and members of the executive management staff not covered by the conflict of interests rules;
- the remuneration policy for the members of the board of directors and executive management;
- the measures that the company has introduced to comply with EC Directive 2003/6 concerning trading with prior knowledge and market manipulation (market abuse);

- the internal rules of the audit committee;
- the internal rules of the appointments and remuneration committee;
- the internal rules of the executive management (role and responsibilities of the CEO and management team).

In this chapter of the annual report, the board of directors will provide more factual information, also in accordance with annex F to the Belgian Corporate Governance Code, regarding corporate governance, including any changes in the company's corporate governance policy, the appointment of new directors, the appointment of members to board committees and the annual remuneration of members of the board of directors and members of the executive management.

## COMPOSITION AND REPORT OF THE BOARD OF DIRECTORS AND THE PERSONAL ATTENDANCE RATIO OF ITS MEMBERS

The board of directors of NV Roularta Media Group consists of nine members:

- six directors representing the reference shareholder, in accordance with the proposal rights under the articles of association: Mr Rik De Nolf, permanent representative of NV De Publigras (2010), Mr Leo Claeys, permanent representative of NV De Meiboom (2010), Ms Lieve Claeys (2008), Ms Caroline De Nolf (2008), Mr Iwan Bekaert (2006), and Mr Jean Pierre Dejaeghere (2006).

Ms Lieve Claeys resigned from her office of director on 1 July 2005. In accordance with article 15 of the articles of association, the board decided to co-opt NV Fraka-Wilo, with Ms Lieve Claeys as its permanent representative, as director. A proposal will be put forward to the general meeting to confirm this appointment.

- Three independent directors, each of them holding an executive corporate position: Mr Clement De Meersman, permanent representative of BVBA Clement De Meersman (2009) and managing director

*The board of directors met eleven times in the past year.*

	04/02/05	21/02/05	11/03/05	19/03/05	11/04/05	13/05/05	24/06/05	02/09/05	18/11/05	22/11/05	23/12/05
<b>Baron Hugo Vandamme</b>	P	P	P	P	P	P	P	P	P	P	P
<b>Rik De Nolf</b>	P	P	P	P	P	P	P	P	P	P	P
<b>Leo Claeys</b>	P	P	P	E	P	P	P	P	P	P	P
<b>Lieve Claeys</b>	P	P	P	E	P	P	P	E	P	P	P
<b>Caroline De Nolf</b>	P	P	P	E	P	P	P	P	P	E	P
<b>Iwan Bekaert</b>	E	P	P	P	P	P	E	P	P	P	P
<b>Jean Pierre Dejaeghere</b>	P	P	P	P	P	P	P	P	P	P	P
<b>Clement De Meersman</b>	P	P	P	P	E	P	P	P	P	P	P
<b>Dirk Meeus</b>	P	P	P	P	P	E	P	P	P	P	P

P = present E = excused

(1) [www.roularta.be/en/investor\\_info](http://www.roularta.be/en/investor_info)

of NV Deceuninck, Mr Dirk Meeus (2009), partner of Allen & Overy LLP, and Baron Hugo Vandamme, permanent representative of NV HRV (2009), chairman of the board of directors of NV Kinepolis Group.

The board of directors met eleven times in the past year. The greater frequency of board meetings is attributable to inter alia the different acquisitions, including those completed in France in the past year. In addition, the customary and scheduled meetings of the board of directors were held to discuss the company's results and the annual meetings for considering the multi-year plan and budget for the following financial year.

Six board meetings are scheduled for 2006.

## COMPOSITION AND REPORT OF THE AUDIT COMMITTEE AND INDIVIDUAL ATTENDANCE OF ITS MEMBERS

The audit committee is formed, in accordance with the Belgian Corporate Governance Code, of exclusively non-executive directors (3), including two independent directors.

The audit committee met five times in 2005. During these meetings, the audit committee has monitored the integrity of the company's financial information and supervised the activities of the internal and external auditors, and where considered necessary, the audit committee made recommendations on this to the board of directors.

By invitation of the chairman, the audit committee was attended by the auditor (Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Mr Jos Vlaminckx), Mr Jean Pierre Dejaeghere (CFO) and the internal auditor.

*The audit committee met five times in 2005.*

	09/03/05	11/05/05	31/08/05	16/11/05	21/12/05
<b>Clement De Meersman</b>	P	P	P	P	P
<b>Leo Claeys</b>	P	P	E	P	E
<b>Dirk Meeus</b>	P	P	P	P	P

*P = present E = excused*

## COMPOSITION AND REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE AND INDIVIDUAL ATTENDANCE OF ITS MEMBERS

The board has decided to entrust implementation of the fourth (*the company has a rigorous, transparent procedure for appointing and assessing its board and its members*) and seventh principle (*the company remunerates directors and members of the executive management in an equitable and responsible way*) of the Belgian Corporate Governance Code to a committee, namely the *appointments and remuneration committee*. Roularta Media Group here departs from the Belgian Corporate Governance Code, which provides for two separate committees. However, the board of directors feels that the appointment and remuneration of directors and members of the executive management are matters that are very closely interlinked, so that they can be dealt with by the same committee without any problem. Having regard also to the busy agenda of all directors, there is good reason for combining these two remits within one committee.

Departing from the Belgian Corporate Governance Code, the board of directors decided to make the CEO a member of the committee. The reason for this divergent composition is that the committee must in principle consider the recruitment and remuneration policy for members of the executive management, namely matters where the CEO's opinion, which closely follows that of the executive management, is very valuable.

The appointments and remuneration committee met twice during 2005. The appointments and remuneration committee analysed the Belgian Corporate Governance Code in 2005 and considered in detail whether there was correspondence between the corporate government practices within Roularta Media Group and the Code. A draft Corporate Governance Charter was drawn up, which was then submitted to the board of directors for approval.

*The appointments and remuneration committee met twice during 2005.*

	11/01/05	16/11/05
<b>Baron Hugo Vandamme</b>	P	P
<b>Rik De Nolf</b>	P	P
<b>Leo Claeys</b>	P	P
<b>Dirk Meeus</b>	P	P

*P = present E = excused*

## COMPOSITION OF EXECUTIVE MANAGEMENT

The Chief Executive Officer together with the Company's management team forms NV Roularta Media Group's executive management. The following positions are part of NV Roularta Media Group's management team:

■ Financial and administrative director (CFO)
■ Director newspapers
■ Director human resources
■ Director premedia
■ Director foreign media
■ Director IT
■ Director printing
■ Director magazines
■ Director freesheets
■ Director projects & processes
■ Director national advertising

In principle, the management team meets monthly on the basis of a previously fixed calendar. Additional meetings can be convened at any time on the initiative of the Chief Executive Officer. Each member of the management team may put forward agenda items for meetings.

## POLICY CONCERNING TRANSACTIONS AND OTHER CONTRACTUAL LINKS BETWEEN THE COMPANY, INCLUDING ASSOCIATED COMPANIES, AND ITS DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT NOT COVERED BY THE CONFLICT OF INTERESTS RULES

Allowing for the principles and guidelines contained in the Belgian Corporate Governance Code, the company has drawn up a policy for transactions and other contractual links between the company, including associated companies, and its directors and members of the executive management not covered by the statutory conflicts of interests rules.

A transaction or any other contractual link arises between the company, its directors and/or members of its executive management when:

- a director or member of the executive management has a significant personal interest in the corporate body with which Roularta Media Group NV wishes to conclude a transaction;
- if the director or member of the executive management or his or her spouse, co-habiting partner, child or blood or other relative to the second degree are members of the board of directors or the executive management of the corporate body with which Roularta Media Group NV wishes to conclude an important transaction;

- the board of directors considers that such conflict exists with regard to the proposed transaction.

The director or member of the executive management concerned will provide the board of directors with all possible relevant information concerning the conflict of interests. The director or the executive management member concerned will refrain from participating in the discussion and resolution on this agenda item.

The board of directors confirms that in the past financial year no such transaction has occurred or situation has arisen that gives rise to the application of the above procedure.

## MEASURES ADOPTED TO COMPLY WITH EC DIRECTIVE 2003/6 CONCERNING TRADING WITH PRIOR KNOWLEDGE AND MARKET MANIPULATION

In drafting its Corporate Governance Charter, the board of directors revised the Protocol to avoid the misuse of insider information existing since its application for a listing, in accordance with the recommendations under the Belgian Corporate Governance Code and updated it taking into account the European and national legislative initiatives in this connection.

The revised Protocol to avoid misuse of insider information prohibits directors, members of the management team and other members of personnel or co-workers, who through the nature of their duties come into contact with confidential information, from trading directly or indirectly in financial instruments issued by the Roularta Media Group on the basis of their prior knowledge.

## REMUNERATION FOR DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT

### Remuneration for members of the board of directors

Remuneration of non-executive directors on an annual basis:

Non-executive directors	Fixed	Variable
<b>Hugo Vandamme</b> (permanent representative of NV HRV) – Chairman of the Board	80,000.00 euros	–
<b>Leo Claeys</b> (permanent representative of NV De Meiboom) – Vice-chairman of the Board	58,500.00 euros	–
<b>Clement De Meersman</b> (permanent representative of BVBA Clement De Meersman)	25,000.00 euros	–
<b>Dirk Meeus</b>	25,000.00 euros	–
<b>Iwan Bekaert</b>	25,000.00 euros	–
<b>Caroline De Nolf</b>	25,000.00 euros	–

*Remuneration of executive directors on an annual basis:*

Executive directors	Fixed	Variable
<b>Rik De Nolf</b> (permanent representative of NV De Publigraaf) - Managing Director	80,000.00 euros	–
<b>Lieve Claeys</b> (permanent representative of NV Fraka-Wilo)	25,000.00 euros	–
<b>Jean Pierre Dejaeghere</b>	25,000.00 euros	–

**Remuneration of the executive management**

Fixed remuneration of EUR 525,295.48 gross was granted to the CEO, NV De Publigraaf, represented by Mr Rik De Nolf.

The other members of the executive management together received fixed remuneration of EUR 1,388,734.18, variable remuneration of EUR 241,295.00 and other components of EUR 176,985.30 (gross amounts).

No shares, share options or other rights to shares were granted to the CEO or other members of the executive management.

During the past financial year, no changes were made in the composition of the company's executive management. Nor were any recruitment or departure arrangements discussed.